

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (05/12):
BUTTER: Grade AA closed at \$1.1950. The weekly average for Grade AA is \$1.1950 (+.0292).

CHEESE: Barrels closed at \$1.0975 and blocks at \$1.1000. The weekly average for barrels is \$1.0995(-.0005) and blocks, \$1.1070 (+.0145).

NONFAT DRY MILK: Extra Grade and Grade A closed at \$1.0300. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0300 (N.C.).

BUTTER: Butter markets are unsettled. Production across the country is mixed. Cream supplies are not as available to local butter operations as in the past. Cream demand has increased sharply for ice cream production, thus limiting volumes for butter needs. Stocks of butter are trailing last year at this time. Butter production, in relation to last year, has declined each of the first three months of 2000 and now is only 6% ahead of the first quarter of 1999. Demand for both retail and food service needs is holding steady at good levels. Scattered retail feature activity along with food service and resort areas preparing for the start of the summer vacation season are keeping butter stocks moving on an active basis.

CHEESE: Current movement is steady with most buyers centering orders on short term needs. Process interest continues to strengthen for the summer travel and barbeque seasons. Current cheese output remains seasonally active. During the period of May 8 - 10, CCC purchased 871,200 pounds of process cheese from the Midwest. Under its annual purchase contracts, CCC purchased an additional 40,000 - 80,000 pounds of barrels at \$.0500 per pound delivered over the barrel price average and 440,000 - 1,159,800 pounds of cheddar blocks at \$.0500 - .0950 over the block average. Cheese yields are following fat and protein tests lower. Cumulative first quarter U.S. cheddar cheese output compared to 1999 was 736.4 million pounds, up 28.9 million pounds (4.1%). Total cheese output in the first quarter was estimated at 2,047.9 million pounds, an increase of 123.7 million pounds (6.4%).

FLUID MILK: Milk production is increasing in the Northern sections of the country while volumes decline in the South as seasonal summer trends begin. Class I demand is unchanged to improved compared to last week. Bottlers are anticipating a decrease in class I demand as schools start closing over the next few weeks. Condensed skim movement is generally steady with Class III prices moving lower with changes in the April milk price. Movement of fluid milk into Class III plants is heavy. Manufacturers do not anticipate having any problems in handling volumes. Cream demand is strong on a firm market. Following substantial increases in last week's CME butter prices, cream is

trading higher on steady multiples. Ice cream and cream cheese production are seasonally active while churning activity is often lighter.

DRY PRODUCTS: Dry products production volumes for March generally increased over last year with buttermilk and lactose showing the only signs of decline. NDM production remains strong with heavy movement into the government. Prices are mostly unchanged with the exception of slight increases in the West. The buttermilk market is firm. Prices are higher and supplies are tight with good condensed movement into ice cream facilities. Whey markets are generally steady. Anticipated export movement is encouraging interest. Lactose movement remains slow on a steady to weak market. WPC demand is strong into export and domestic markets with significant price increases reported for the week.

CCC: Activity for May 11 is not available. Purchases reported for May 8-10 totaled 13,698,085 pounds of nonfortified NDM. From this total, 12,068,155 pounds were purchased from the West, 1,629,930 pounds from the Midwest, and none from the East. CCC also purchased 871,200 pounds of process cheese from the Midwest.

MARCH DAIRY PRODUCTS HIGHLIGHTS: Butter production was 124.3 million pounds in March, 0.9% below March 1999 and 4.6% below February 2000. American type cheese production totaled 317.5 million pounds, 0.1% below March 1999 but 5.0% above February 2000. Total cheese output (excluding cottage cheese) was 715.4 million pounds, 2.6% above March 1999 and 10.8% above February 2000. NDM production, for human food, totaled 142.7 million pounds, 10.8% above March 1999 and 7.2% above February 2000. Dry whey production, for human food, was 101.4 million pounds, 6.8% above March 1999 and 6.0% above February 2000. Ice cream (hard) production totaled 80.8 million gallons, 4.7% above March 1999 and 19.3% above February 2000.

CONSUMER PRICE INDEX (BLS): The March 2000 consumer price index (CPI) for all food is 166.5, up 2.0% from a year ago. The dairy products index at 159.1, is 1.5% below last year. The March to March changes in selected dairy products are: fresh whole milk -6.1%, cheese +0.2% and butter -10.1%.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during December 1999 - February 2000 totals 39.8 billion pounds, up 4.6% from the same period last year. Comparing disappearance levels with a year earlier levels: butter +7.1%, American cheese +6.3%, other cheese +8.5% and NDM -29.8%. Fluid milk product comparables were not available.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MAY 8	TUESDAY MAY 9	WEDNESDAY MAY 10	THURSDAY MAY 11	FRIDAY MAY 12	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.1000 (N.C.)	\$1.1000 (N.C.)	\$1.1000 (N.C.)	\$1.1000 (N.C.)	\$1.0975 (-.0025)	-.0025	\$1.0995 (-.0005)
40# BLOCKS	\$1.1100 (+.0100)	\$1.1100 (N.C.)	\$1.1100 (N.C.)	\$1.1050 (-.0050)	\$1.1000 (-.0050)	N.C.	\$1.1070 (+.0145)
NONFAT DRY MILK EXTRA GRADE	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
GRADE A	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
BUTTER GRADE AA	\$1.1950 (-.0425)	----	\$1.1950 (N.C.)	----	\$1.1950 (N.C.)	-.0425	\$1.1950 (+.0292)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, MAY 8, 2000

CHEESE -- SALES: 6 CARS 40# BLOCKS: 1 @ \$1.1100, 1 @ \$1.1200, 1 @ \$1.1000, 1 @ \$1.1100, 1 @ \$1.1000, 1 @ \$1.1100; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1200, 1 @ \$1.1300
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 6 CARS GRADE AA: 2 @ \$1.2200, 2 @ \$1.2100, 2 @ \$1.2000; BIDS UNFILLED: 1 CAR GRADE AA @ \$1.1700; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.1950, 1 @ \$1.2325, 1 @ \$1.2375, 1 @ \$1.2700

TUESDAY, MAY 9, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.0900; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$1.1100, 1 @ \$1.1200
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, MAY 10, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.1100
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 22 CARS GRADE AA: 6 @ \$1.1950, 2 @ \$1.1850, 2 @ \$1.1825, 3 @ \$1.1800, 1 @ \$1.1775, 1 @ \$1.1750, 2 @ \$1.1900, 1 @ \$1.1850, 1 @ \$1.1800, 1 @ \$1.1900, 1 @ \$1.1925, 1 @ \$1.1950; BIDS UNFILLED: 11 CARS GRADE AA: 1 @ \$1.1850, 1 @ \$1.1825, 1 @ \$1.1800, 1 @ \$1.1775, 1 @ \$1.1750, 2 @ \$1.1725, 2 @ \$1.1700, 1 @ \$1.1600, 1 @ \$1.1400; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.1950, 1 @ \$1.2000, 1 @ \$1.2175, 1 @ \$1.2200

THURSDAY, MAY 11, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 7 CARS 40# BLOCKS: 1 @ \$1.1050, 1 @ \$1.1075, 3 @ \$1.1100, 1 @ \$1.1150, 1 @ \$1.1200
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, MAY 12, 2000

CHEESE -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$1.0975, 1 @ \$1.1000; 6 CARS 40# BLOCKS: 1 @ \$1.1000, 2 @ \$1.1025, 3 @ \$1.1050; 2 CARS SIX-MONTH OLD 40# BLOCKS @ \$1.3500
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: NONE; BIDS UNFILLED: 9 CARS GRADE AA: 1 @ \$1.1750, 2 @ \$1.1700, 1 @ \$1.1650, 2 @ \$1.1600, 1 @ \$1.1500, 2 @ \$1.1400; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ \$1.1950, 1 @ \$1.2050, 1 @ \$1.2100, 2 @ \$1.2200

BUTTER MARKETS

MARCH BUTTER PRODUCTION

During March 2000, butter production in the United States totaled 124.3 million pounds, 0.9% less than March 1999 and 4.6% less than February 2000. Following are percentage changes from March 1999 for various states: CA +4.6%, MN -19.7%, NY +23.0%, PA +3.3%, WA +27.0%, and WI -8.0%.

NORTHEAST

Since April 24, butter prices at the CME have moved steadily higher with a sharp (\$.1075) gain on May 5. However, during the May 8 trading the butter price did adjust lower, but at nearly \$1.20, butter is still quite high for this time of year. Milk production is increasing, but contacts do note that improving Class II cream demand has left supplies in a relatively tight position. The market tone remains unsettled. Stocks of bulk and print butter are more than ample to meet the slow to fair demand. Retail and food service orders are steady. Butter output during the first quarter of 2000 totaled 396.8 million pounds, 6.2% heavier than the same period last year. March butter production in the North Atlantic region totaled 18.9 million pounds, 10.7% more than last March. Bulk butter sales remain in the range of 3-5 cents over the CME price/average.

CENTRAL

Butter markets are mixed following the sharp CME cash increase last week and then weakness early this week. Producers and handlers continue to question market firmness of this amount at this time of the milk production season. Ice cream production is increasing quite sharply, thus limiting cream availability to butter producers. In most instances, stocks of butter are sufficient to meet current buyer interest, although some producers are looking beyond their operations to fill orders. Overall buying interest is good. Restaurants and food service outlets are placing good orders with retail stores also indicating strong sales. Some scattered retail feature activity continues to clear good volumes of print butter.

WEST

Butter sales continue to be rated as very good for this time of the year. Print sales have slowed somewhat, but bulk demand is very good from within the region and into other areas of the country. Demand for cream, especially from ice cream operations, is uniformly increasing across the region. Most sellers state that they are able to fill all orders, but some report being short of full trade needs. Cream sales are heavy enough that churning activity is being limited. Butter production, in relation to last year, has declined each of the first three months of 2000 and now is only 6% ahead of last year. Weekly stock figures for the CME, report inventories at 71.2 million pounds, 10.5% less than the same week one year ago. Current prices for bulk butter range from 4 cents under to 1 cent under the market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
 U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	BARRELS 39% MOISTURE	NDM	BUTTER	DRY WHEY
MAY 6	1.0897 6,152,451	1.0709 11,233,892	1.0086 19,705,096	1.0895 3,854,812	0.1758 8,234,239

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are unchanged to fractionally lower. The market tone is unsettled. For the past several weeks, the 40# block price at the CME seems to be looking for a place to settle. Prices at the CME since early April have ranged from a penny over support (\$1.10) to a penny under and back to a penny over. Conversely, barrel prices have held at \$1.10 since April 24. In the Northeast, cheese output is heavy at most operations. Milk supplies are increasing seasonally. Retail and food service orders are generally steady. During March, total cheese production in the North Atlantic region totaled 113.8 million pounds, 4.9% more than last March and 21.8% above February 2000 (unadjusted for leap year).

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.1075-1.5975
Cheddar Single Daisies	:	1.0875-1.5475
Cheddar 40# Block	:	1.2325-1.4100
Process 5# Loaf	:	1.3200-1.4425
Process 5# Sliced	:	1.3400-1.5875
Muenster	:	1.2900-1.5925
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is about steady. Cash prices at the Chicago Mercantile Exchange continue to bounce around in a trading range at or just above current CCC purchase prices. Process movement is steady to occasionally improved, generally good. Shipments to food service accounts situated near vacation areas for Memorial Day weekend use should already be in the pipeline. Mother's Day orders to food service accounts from upscale restaurants have been good for the past few weeks. Mozzarella sales have been holding up well for some plants, despite the approaching end of the school year. Shredded cheese demand is solid and aiding natural sales for some producers. Little change in the Class III milk price and cash cheddar prices have lead to relatively stable Swiss cheese prices. Cheese production remains strong with many plants operating at or near capacity in order to clear all of the milk available. Fat and protein tests are trending lower seasonally, reducing cheese yields.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.2800-1.4500
Brick And/Or Muenster 5#	:	1.4200-1.6525
Cheddar 40# Block	:	1.4000-2.1150
Monterey Jack 10#	:	1.5800-2.1150
Blue 5#	:	1.7875-2.0000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.4600-2.2150
Grade A Swiss Cuts 6 - 9#	:	2.0000-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	MAY 8 - 12, 2000
BARRELS*	:	\$1.0900 - 1.1150 (NOMINAL)
	:	(.0100)
40# BLOCKS	:	\$1.0900 - 1.1125 (NOMINAL)
	:	(.0100) (-.0075)

() Change from previous week. * If steel, barrel returned.

WEST

Process cheese prices held steady this past week while natural prices declined fractionally. Swiss prices are unchanged and sales activity is rated as very good for this time of year. March Swiss production was 18.3 million pounds, down 1.3% from a year earlier. Buying interest for natural cheese is of regular account nature only. Little interest is noted in making any purchases ahead. In fact, some manufacturers that have a little more good quality aged cheese put away are marketing some of it at this time. March American type cheese production totaled 317.5 million pounds, down 0.1% from last year. Total Italian type production was 287.6 million pounds, up 4.0% from last year. March total cheese production compared to last year for selected Western states is as follows: California up 6.3%, Idaho up 1.0%, Utah down 1.1%, and Washington up 12.2%. The comparable number for the U.S. is up 2.6%.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.2525-1.5125
Cheddar 40# Block	:	1.2150-1.3550
Cheddar 10# Cuts	:	1.3950-1.6150
Monterey Jack 10#	:	1.4050-1.5650
Grade A Swiss Cuts 6 - 9#	:	2.1500-2.4000

FOREIGN

Prices are unchanged to lower and the market tone is falling into typical seasonal patterns. Imports are moderate, but with the strength of the U.S. dollar, importers are showing more inclination to make purchases. With U.S. cheese prices as low as they are, imports are mostly table cheeses. There is little interest for imported processing solids. Retail and food service orders are fair.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.4325-2.9275*
Gorgonzola	3.2400-5.9400	1.9875-2.4900*
Parmesan (Italy)	TFEWR	2.8475-3.3700*
Romano (Italy)	2.1000-2.5400	-0-
Provolone (Italy)	3.4400-5.5000	1.4475-1.7275*
Romano (Cows Milk)	-0-	2.6125-4.7975*
Sardo Romano (Argentina)	2.6500-3.2900	-0-
Reggianito (Argentina)	2.6500-3.2900	-0-
Jarlsberg (Brand)	2.7400-3.3100	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-3.1500	-0-
Gouda, Baby (\$/Dozen)		
10 Ounce	27.8000-31.7000	-0-

*=Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
05/08/00	24,626	130,051
05/01/00	24,626	130,143
CHANGE	0	-92
% CHANGE	N.C.	N.C.

FLUID MILK AND CREAM

E A S T

The following are the April Class and component prices under Federal Orders: Class II \$12.10 (up \$.39 from March), Class III \$9.41 (down \$.13), and Class IV \$11.38 (up \$.38). These prices are the same for all orders. Product price averages used in computing Class prices are: butter \$1.0449, nonfat dry milk \$1.0078, cheese \$1.1011, and dry whey \$0.1765. The Class II butterfat price is \$1.1422 and the Class III/IV butterfat price is \$1.1352. For informational purposes the April 1999 BFP (Class III) was \$11.81. This week, hot weather covered much of the Southeast and it is starting to take its toll on milk production. It has also been unusually warm in the more northern sections of the region. Milk output in Texas, Louisiana, Georgia, and Florida is falling at a faster pace. Declines in the milk flow are more moderate in Midsouth and Middle Atlantic areas. In New York and New England, milk production is nearing its seasonal peak. Contacts in the Northeast note that although milk output is above year earlier levels, the rates of gain are not as large as years past. Florida handlers have scheduled 110 loads of milk to be shipped out of state this week. This compares to 143 loads last week and 70-75 loads a year ago. Southeastern manufacturing plants are receiving less milk and most of them are now able to schedule a down day or two. Further north, most manufacturing plants have capacity and contacts are generally pleased with their current supply situation. Bottled milk demand is holding up surprisingly well. Although, some bottlers with large school lunch contracts note that their orders will begin slowing late next week. The condensed skim market is mostly steady. However, Class III condensed skim prices are often lower due to the change in Class III milk. Class II condensed skim prices are generally unchanged. Demand for wet solids is holding up very nicely and easing the need for many plants to run their dryers. The fluid cream market is firmer. Supplies/offerings are reported as tight this week. Prices are sharply higher following the big jump in CME butter prices last week. Multiples are little changed from last week. Demand is quite good and clearing most offerings. Buyers confirm the tighter supply, but also point out that they can find and buy what they need. Cream movement into cream cheese and ice cream continues quite brisk. The warmer weather has given a boost to ice cream sales, particularly soft serve. Churning activity is often lighter.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.4689-1.5828
DELIVERED EQUIVALENT ATLANTA	-	1.4573-1.5772 M 1.4954-1.5655
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.4806-1.5971

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES -	.9900-1.1050
NORTHEAST- CLASS III - SPOT PRICES	- .8000-1.0000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:	LOADS
MAY 05 - 11, 2000	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1999	0

Milk production in the Central part of the country continues to increase in most areas, although some slight declines are being reported in the more southern regions. Class I demand was somewhat stronger this week and some bottlers were looking for additional milk to fill orders. For the most part, milk volumes are not in a surplus situation, thus only a very few loads of milk were cleared to manufacturing at prices in the area of \$1.00 over class delivered range. Over the past weekend, temperatures were unseasonably warm for early May and some milk

handlers stated that they noticed lighter receipts early in the week. As the week progressed, temperatures became more seasonal and milk volumes recovered. Field work is progressing very well. It is unusual for early May, to already see corn rows in the fields in the more northern areas of the Midwest. Much needed moist fell in many Midwestern areas during the past week. Alfalfa growth is progressing very well and green chopping may start in Northern Illinois next week. At this point, milk handlers do not foresee too much problems in handling the spring flush milk volumes. They stated that the flush started earlier and the typical peak is flattening. Cream markets are firm with prices on the increase. Most cream multiples remained unchanged, although the butter base price increased sharply when compared to the previous week. Cream demand is strong. Ice cream production is seasonally active, thus limiting cream volumes to local butter operations.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	MAY 04 - 09	PREVIOUS YEAR
SLAUGHTER COWS	\$ 38.00-45.00	\$ 35.00-40.00
REPLACEMENT HEIFER CALVES	\$290.00-360.00	\$205.00-250.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	MAY 04 - 09	PREVIOUS YEAR
SLAUGHTER COWS	\$ 37.00-48.00	\$ 33.50-46.00

W E S T

Showers were again common over the past weekend in northern California. Comments are noted that it is getting a little late in the season for this much moisture. Milk production is not being impacted, but hay harvesting is suffering with more quality problems noted. Prices are firming as demand remains excellent. Demand for cream is excellent from buyers within the region and from other areas of the country. Higher temperatures and the calendar are causing ice cream plants to gear up production levels at a very fast pace. Cream prices are increasing and some buyers are finding that their orders are being delayed. Arizona milk output is holding at high levels and will remain so until temperatures remain above 100 degrees for extended periods of time and over night lows do not cool down the facilities. New Mexico milk output seems to be past the peak and declining slowly. The milk flush was early this spring and higher temperatures now are bringing output down. Culling rates are increasing slightly and heifers are hard to find and more expensive. First cutting hay looks very good in quality, but the tonnage is down somewhat because of the dry conditions. Milk output in the Pacific Northwest continues to increase seasonally. Manufacturing plants believe that they will be able to handle offerings in an efficient manner. Conditions this week have been on the wet and cool side, but cow comfort remains optimal. Hay growers are anxious to begin cutting hay, but weather patterns have been too showery to risk it yet. Forecasts are for improving conditions for the upcoming weekend. Higher cull cattle prices are leading to some moderately higher culling rates. Heifer prices continue to strengthen even with the announcement of a lower base milk price. A major heifer sale in central Washington had numbers at double the rate of last year and prices at least \$75 higher. More feed is being booked on weather related declines in the market. Cooler conditions have been the rule over much of Utah and Idaho this past week. Snow showers on ridges were common after the general rainfall over the weekend. The milk flow remains heavy and growing. Plants believe that they have enough capacity to handle milk production this spring. Storage facilities for cheese in the region overall are being pushed to capacity levels.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 05/11/00 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices remain unchanged on a weak market. Some significant block loads cleared at the lower end of the range, alleviating heavy supplies. Most producers are in good balance as shipments continue to move steadily into government programs. Buyer demand is light with most purchases occurring on an as needed basis. High heat production is increasing compared to last week. Premiums offered over the low heat average are generally unchanged. Production of human food, nonfat dry milk during March 2000 totaled 142.7 million pounds, up 10.8% from March 1999 and 7.2% above unadjusted February 2000 totals. Month ending stocks, at 165.5 million pounds, are 35.0% above a year ago but 4.5% lower than a month ago.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: .9900 - 1.0100 MOSTLY: 1.0000 - 1.0100

DRY BUTTERMILK - CENTRAL

Prices are higher on a firm market. Production of dry buttermilk is decreasing as movement of condensed continues to increase into ice cream facilities. Supplies are generally tight for the light to fair demand. Resellers are offering at higher prices on product that holds anywhere from 2-6 months age. Some resistance is noted as buyers opt to work off of current stocks instead of trading on the market. Dry buttermilk production during March 2000 totaled 4.8 million pounds, down 15.1% from March 1999 and 10.7% lower than unadjusted February 2000 totals. Month ending stocks, at 8.6 million pounds, are 33.7% above last year yet 6.3% lower than last month.

BUTTERMILK: .7900 - .8600

DRY WHEY - CENTRAL

Prices are unchanged to higher on a steady market. Most plants are in better balance compared to past weeks. Traders and manufacturers are more optimistic about market increases as inquiries persist from South America and Asia. Production is generally steady as most cheese operations run full, yet some slight decreases were noted in the humid weather. Demand is light to fair. Condensed product is available and clearing well into regularly committed markets. Production of human food, dry whey during March 2000 totaled 101.4 million pounds, 6.8% more than March 1999 and 6.0% above unadjusted February 2000 totals. Month ending stocks, at 42.4 million pounds, are 9.3% below a year ago but 5.2% higher than last month.

NONHYGROSCOPIC: .1650 - .1850 MOSTLY: .1700 - .1800

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher. Milk replacer supplies are adequate and generally trading at the average. Brand specific product tends to clear more readily at the higher end of the range. Roller ground prices continue unchanged as hog prices move lower. Delactose production is steady with some decreases due to recent humid weather. Product is clearing well into food and feed facilities with some producers sold out. Off grade product is available and trading just below the average. Interest continues strong as the WPC market remains firm. Production of animal feed dry whey during March 2000 totaled 8.0 million pounds, 9.4% higher than a year ago and 11.4 more than unadjusted February 2000 totals. Month ending stocks, at 7.3 million pounds, are 6.7% lower than March 1999 but 3.8% above last month.

MILK REPLACER: .1300 - .1600

ROLLER GROUND: .1600 - .1800

DELACTOSE (Min. 20% protein): .3275 - .3450

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady to weak market. Off grade supplies remain plentiful at substantial discounts for the very light feed interest. Spot Extra Grade movement is slow. Domestic interest from candy and confectionary firms is clearing some product. Export inquiries continue from Asian markets, predominately China and Taiwan. Lower currency and freight rates in the EU are being suggested as competitive factors on export markets. However, quality control and kosher standing are reportedly encouraging US export movement. Lactose production during March 2000 totaled 43.1 million pounds, down 0.9% from March 1999 but 9.1% higher than unadjusted February 2000 totals. Month ending stocks, at 24.2 million pounds, are 3.6% lower than a year ago but 9.3% more than last month. Production totals for selected regions with changes from 1999 include: East North Central, 9.7 million pounds, -3.2%; West North Central, 15.8 million pounds, +10.0%; and West, 16.9 million pounds, -3.1%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2550 MOSTLY: .1950 - .2050

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a firm market. Interest is decreasing from feed producers and some price resistance is being noted by food facilities. However, producers continue to short buyers of supplies due to equipment failures and a general inability to meet domestic and export demand. Interest is strong into cheese, ice cream, nutraceuticals, bakeries and UHT milk markets. WPC 80% is trading at 80-85 cents on an equivalent 34% basis with off grade reported at 58-60 cents FOB. Off grade supplies on 34% are often plentiful at prices that vary with quality. Production of human food WPC during March 2000 totaled 30.2 million pounds, up 9.3% from March 1999 and 7.0% higher than unadjusted February 2000 totals. Manufacturers' end-of-month stocks totaled 15.0 million pounds, 18.5% lower than a year ago and 1.0% below last month. Production totals for selected states with changes from 1999 include: California, 8.6 million pounds, +5.2%; Minnesota, 5.0 million pounds, -3.4%; and Wisconsin, 4.4 million pounds, -8.5%.

EXTRA GRADE 34% PROTEIN: .6225 - .6825 MOSTLY: .6425 - .6725

NONFAT DRY MILK - WEST

Price increases are noted for both low/medium heat and high heat powder. These changes do not suggest that there is any tightness in the supply situation for powder. Powder is available from most producers and resellers on short notice. Production remains very heavy. During the week of May 1 - 5, CCC net purchases of nonfortified NDM totaled 15.9 million pounds of which 13.9 million pounds came from Western producers. U.S. NDM production in March totaled 142.7 million pounds, up 10.8% from last year. March production in California totaled 59.3 million pounds, up 3.9% from last year, and Washington output totaled 15.4 million pounds, up 10.9% from a year ago. Stocks at the end of March were reported at 165.5 million pounds, up 35.0% from last year.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9900 - 1.0200 MOSTLY: 1.0000 - 1.0100

HIGH HEAT: 1.0200 - 1.0450

DRY BUTTERMILK - WEST

Prices continue to increase for Western buttermilk powder. New orders are often being delayed or going unfilled. Current output is down because of less churning and more condensed buttermilk sales. Any offerings are quickly cleared and stock levels are minimal. U.S. buttermilk powder production in March totaled 4.8 million pounds, down 15.1% from last year. Stocks at the end of March were reported at 8.6 million pounds, up 33.7% from a year earlier.

BUTTERMILK: .6900 - .8000 MOSTLY: .7200 - .7400

DRY WHEY - WEST

No price changes are noted for Western whey powder. The market tone is generally steady with no real direction noted for future activity. Domestic demand is steady at fair levels, but export interest is of a more mixed nature. March U.S. edible whey production totaled 101.4 million pounds, up 6.8% from last year. Stocks at the end of the month are 42.4 million pounds, down 9.3% from a year earlier.

NONHYGROSCOPIC: .1600 - .1900 MOSTLY: .1675 - .1750

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
May 5	\$1.0079	12,243,619
April 28	\$1.0077	13,130,691

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are mostly steady. Production levels are moderate to heavy. However, condensed skim sales are holding up nicely and helping ease the pressure on regional dryers. One plant did have some problems this week and extra milk was diverted to other plants for processing. Stocks of NDM are not as heavy as years past, but readily available to meet slow to fair commercial demand. Many buyers/users are still drawing on large-volume purchases made in March and not aggressively looking to make new purchases at this time. Some plants have very heavy stocks while most others are in a balanced or "comfortable" position. No Eastern NDM has been offered to CCC for several weeks. As of the week ending May 5, the NDM allocations for DEIP have been filled. Production of human food, nonfat dry milk during March 2000 totaled 142.7 million pounds, up 10.8% from March 1999 and 7.2% above February 2000 (unadjusted for leap year). Month ending stocks, at 165.5 million pounds, are 35.0% above a year ago but 4.5% less than a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0300 MOSTLY: 1.0000 - 1.0200
HIGH HEAT: 1.0400 - 1.0800 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1100

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady to higher and nominal. Few spot sales are occurring. Most Eastern producers have little or no dry buttermilk to offer on the spot market. Demand is fair to good, but higher prices are creating more buyer resistance. Sales of condensed buttermilk are improving. Dry buttermilk production during March 2000 totaled 4.8 million pounds, down 15.1% from March 1999 and 10.7% less than February 2000 (unadjusted for leap year). Month ending stocks, at 8.6 million pounds, are 33.7% more than last March but 6.3% below a month ago.

F.O.B. NORTHEAST: .7600 - .8200
DELVD SOUTHEAST: .7550 - .8200

DRY WHOLE MILK - NATIONAL

Prices are unchanged to higher as producers respond the higher milk and butter prices. The market tone is steady. New export orders are developing, but at a slower than anticipated rate. Plant stocks are closely balanced as drying schedules are often geared to meeting orders. Dry whole milk production during March 2000 totaled 11.9 million pounds, up 25.1% from March 1999 and 2.7% above February 2000 (unadjusted for leap year). Month ending stocks, at 5.4 million pounds, are 15.6% below a year ago and 21.9% less than last month.

F.O.B. PRODUCING PLANT: 1.1675 - 1.2650

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH MAY 5, 2000
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 101,383 MT (228,876,284 LBS)
CHANGE -- 12,625 MT (27,833,075 LBS)

Program-year and preallocated volumes are filled.

WHOLE MILK POWDER -- 10,732 MT (23,659,767 LBS)
CHANGE -- 500 MT (1,102,300 LBS)

CHEESE -- 2,797 MT (6,166,266 LBS)
CHANGE -- 1,040 MT (2,929,784 LBS)

BUTTERFAT -- 5,298 MT (11,679,970 LBS)
CHANGE -- 35 MT (77,161 LBS)

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices steady to higher on Extra Grade; steady to lower on Grade A. Producers with dry whey to move are, at times, offering lower prices to exporters. Other producers moved prices fractionally higher because of tight supply. Despite price changes, the market tone is little changed from recent weeks. Most Eastern producers report balanced to tight stocks and they are holding prices at current levels. Domestic demand is just fair. Export demand is mostly steady, but some new deals have been reported. Production of human food, dry whey during March 2000 totaled 101.4 million pounds, 6.8% more than March 1999 and 6.0% below February 2000 (unadjusted for leap year). Month ending stocks, at 42.4 million pounds, are 9.3% below last year but 5.2% more than a month ago.

F.O.B. NORTHEAST: EXTRA GRADE .1750 - .1850
USPH GRADE A .1750 - .1950
DELVD SOUTHEAST: .1950 - .2200

EVAPORATED MILK - NATIONAL

Prices are unchanged and the market tone is steady. Production levels are moderate and inventories are being replenished. Demand is seasonally slow to fair and mostly for replacement volumes. Canned evaporated milk production during March 2000 totaled 37.8 million pounds, 4.5% more than March 1999 and 26.6% more than February 2000 (unadjusted for leap year). Month ending stocks, at 40.9 million pounds, are 2.7% more than a year ago and 8.8% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$21.00 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain firm at unchanged prices. For the most part, stocks of both rennet and acid are lighter than desired for full needs. Many domestic buyers are making ends meet with minimal new arrivals and existing stocks. Oceania sourced shipments are arriving as scheduled, although spot availability from this region is not there. European sourced product is limited. Milk production is building seasonally in Europe, therefore is casein output. Some domestic buyers question availability from Europe as the milk production season develops and the demand for other manufactured dairy products is strong.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.0000 - 2.2000
ACID: 2.0500 - 2.2000

DEIP BID ACCEPTANCE SUMMARY (continued)

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT. These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese. March 31, 2000: USDA announced an that additional 8,232 MT of dry whole milk was made available under DEIP until June 30, 2000.

NEW YORK BOARD OF TRADE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	04/26	04/27	04/28	05/01	05/02	05/03	05/04	05/05	05/08	05/09
NYBOT - MILK INDEX -- Dollars per cwt.										
APR 00	9.43 (58) 0	9.45 (58) 0	9.43 (58) 0	9.43 (58) 0	9.43 (58) 0	9.43 (58) 0	9.43 (58) 0	9.43 (58) 0		
MAY 00	9.63 (51) 0	9.63 (51) 0	9.63 (51) 0	9.63 (51) 0	9.63 (52) 1	9.63 (52) 0	9.63 (52) 0	9.63 (52) 0	9.63 (52) 0	9.58 (52) 0
JUN 00	10.65 (61) 0	10.55 (61) 0	10.55 (61) 0	10.50 (61) 0	10.50 (61) 0	10.50 (61) 0	10.55 (61) 0	10.85 (61) 0	10.65 (61) 0	10.65 (61) 0
JUL 00	11.55 (57) 4	11.56 (57) 0	11.53 (58) 1	11.53 (58) 0	11.56 (59) 1	11.58 (58) 0	11.63 (59) 1	12.03 (68) 15	12.00 (68) 1	12.00 (68) 1
AUG 00	12.05 (49) 1	12.08 (49) 0	12.10 (49) 0	12.10 (49) 0	12.10 (50) 1	12.20 (50) 0	12.25 (51) 1	12.55 (51) 0	12.55 (51) 0	12.53 (51) 0
SEP 00	12.35 (56) 0	12.33 (56) 0	12.33 (56) 0	12.33 (56) 0	12.40 (56) 0	12.40 (56) 0	12.43 (57) 1	12.75 (57) 0	12.73 (58) 1	12.75 (59) 1
OCT 00	12.33 (33) 0	12.40 (33) 0	12.35 (33) 0	12.35 (33) 0	12.40 (33) 0	12.40 (33) 0	12.53 (34) 1	12.68 (35) 1	12.65 (35) 0	12.65 (35) 0
NOV 00	11.81 (19) 0	11.80 (19) 0	11.80 (19) 0	11.85 (19) 0	11.80 (19) 0	11.85 (20) 1	11.85 (20) 0	12.05 (22) 2	12.00 (23) 1	12.00 (23) 0
DEC 00	11.63 (8) 0	11.63 (8) 0	11.63 (8) 0	11.63 (8) 0	11.53 (9) 1	11.60 (10) 1	11.60 (10) 0	11.90 (10) 0	11.90 (10) 0	11.90 (10) 0
JAN 01	10.98 (3) 0	10.95 (3) 0	10.93 (3) 0	10.95 (3) 0	10.95 (3) 0	10.95 (3) 0	10.95 (3) 0	10.95 (3) 0	10.95 (3) 0	11.00 (3) 1
FEB 01	10.55 (0) 0	10.55 (0) 0	10.55 (0) 0	10.55 (0) 0	10.55 (0) 0	10.55 (0) 0	10.55 (0) 0	10.55 (0) 0	10.55 (0) 0	10.80 (0) 0
MAR 01	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0	10.60 (0) 0
CME - BUTTER -- Cents per pound										
MAY 00	111.00 (124) 0	111.00 (133) 16	113.50 (130) 5	114.00 (129) 2	114.00 (129) 0	115.00 (129) 71	113.50 (122) 26	118.50 (122) 9	117.00 (68) 0	118.00 (65) 10
JUL 00	116.50 (434) 14	115.75 (434) 1	117.00 (432) 3	117.00 (430) 6	117.20 (427) 3	117.20 (422) 5	117.25 (420) 13	122.25 (417) 8	120.00 (413) 7	121.50 (414) 12
SEP 00	116.20 (480) 1	118.00 (474) 14	120.02 (474) 2	120.75 (476) 2	121.50 (478) 9	121.97 (480) 2	119.75 (480) 30	124.75 (478) 7	122.50 (480) 2	123.52 (480) 4
OCT 00	118.00 (334) 6	119.02 (334) 0	121.50 (335) 1	122.25 (335) 0	122.25 (335) 7	122.25 (335) 0	122.25 (335) 20	127.25 (335) 0	124.50 (338) 3	125.00 (338) 1
CME - MILK FUTURES -- Dollars per cwt.										
APR 00	9.45 (588) 4	9.45 (588) 0	9.45 (588) 4	9.45 (588) 0	9.45 (587) 2	9.40 (582) 7	9.41 (580) 0	9.41 (580) 0		
MAY 00	9.64 (800) 2	9.65 (800) 10	9.65 (800) 0	9.65 (801) 6	9.63 (791) 18	9.60 (791) 4	9.61 (791) 0	9.65 (781) 0	9.62 (781) 1	9.60 (787) 12
JUN 00	10.55 (1243) 27	10.50 (1242) 1	10.50 (1239) 8	10.50 (1240) 7	10.50 (1230) 12	10.49 (1231) 11	10.57 (1236) 82	10.72 (1233) 10	10.55 (1241) 14	10.60 (1238) 8
JUL 00	11.55 (1486) 28	11.55 (1489) 4	11.55 (1491) 6	11.55 (1490) 4	11.56 (1490) 4	11.61 (1469) 44	11.73 (1460) 80	12.05 (1459) 22	12.01 (1474) 31	12.00 (1477) 10
AUG 00	12.07 (1388) 6	12.10 (1387) 8	12.10 (1392) 5	12.10 (1393) 9	12.15 (1393) 0	12.16 (1377) 30	12.24 (1382) 72	12.57 (1381) 13	12.51 (1390) 14	12.57 (1392) 26
SEP 00	12.24 (1097) 1	12.29 (1098) 3	12.30 (1097) 13	12.30 (1102) 9	12.35 (1106) 6	12.36 (1118) 24	12.42 (1142) 69	12.74 (1135) 11	12.70 (1141) 15	12.70 (1148) 8
OCT 00	12.35 (1026) 11	12.35 (1023) 10	12.35 (1026) 7	12.35 (1030) 6	12.38 (1030) 5	12.43 (1018) 23	12.50 (1031) 59	12.66 (1035) 5	12.56 (1041) 17	12.66 (1045) 11
NOV 00	11.83 (646) 1	11.83 (647) 2	11.85 (643) 11	11.88 (643) 0	11.88 (643) 1	11.90 (637) 7	11.90 (645) 55	12.06 (646) 4	11.95 (653) 16	12.20 (652) 5
DEC 00	11.59 (565) 6	11.57 (565) 0	11.60 (562) 7	11.55 (562) 0	11.58 (562) 2	11.62 (563) 6	11.62 (576) 33	11.88 (577) 10	11.81 (584) 13	11.91 (580) 10
JAN 01	10.85 (48) 0	10.85 (48) 0	10.85 (48) 0	10.85 (48) 0	10.85 (48) 0	10.85 (48) 0	10.85 (49) 1	10.85 (49) 0	10.86 (57) 16	10.95 (58) 1
FEB 01	10.65 (11) 0	10.65 (11) 0	10.65 (11) 0	10.65 (11) 0	10.65 (11) 0	10.65 (11) 1	10.65 (11) 0	10.65 (11) 0	10.70 (18) 13	10.90 (18) 0
MAR 01	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0	10.71 (7) 0

1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract.

For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

NOTE: The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered May 1 - 12, 2000

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk production is seasonally increasing throughout Europe. Adequate moisture and nearly ideal conditions prevail in most areas. Late last week, the subsidies on whole milk and skim milk powders were again reduced. These reductions are the sixth adjustment since October. During those 6 adjustments, whole milk powder subsidies have been reduced by 29% with skim milk powder being adjusted by 32%. Along with the subsidy adjustments, a record setting weak Euro continues to cause prices for European manufactured dairy products to also adjust. International buyers are aware of what subsidy adjustments will do to prices, thus some buyers are offering to offset some of the subsidy adjustments with higher prices, although product availability is questionable. Stocks of manufactured dairy products continue to be reported as limited. Although manufacturing is seasonally active, most current production is already fully committed. In many instances, production has been committed well into June. International buying interest is active. Traders predict that dairy product clearances will remain active throughout the current production season. Many producers and handlers anticipate that no skim milk powder will clear to intervention during the current production season. Anticipated active demand along with competition for available milk will keep European dairy products in close balance, if not short of desired buyer interest.

BUTTER/BUTTEROIL: Butter markets and prices are generally unchanged. Butter production in Europe is reported to be trailing last season at this time. International and domestic butter demand is not overly aggressive, thus additional volumes are clearing to PSA. Reports indicate that current PSA holdings are lighter than last year at this time.

82% BUTTERFAT:	1,200 - 1,300
99% BUTTERFAT:	1,400 - 1,550

SKIM MILK POWDER (SMP): Skim milk powder markets are steady to firm. In many instances, demand for immediate or very near term shipment is going unfilled. Most current production has been previously committed and stocks are very limited for spot buyer interest. Most powder is reported to be fully committed into June. On Thursday May 4, the skim milk powder subsidy was again adjusted. This was the sixth adjustment since October. Most producers and handlers anticipate that no powder will be clearing to intervention during the current production season, due to strong domestic and international demand.

1.25% BUTTERFAT:	1,500 - 1,600
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WHOLE MILK POWDER (WMP): Whole milk powder markets are steady to firm. The sixth subsidy adjustment in 7 months continues to put upward price pressure on European produced whole milk powder. Although prices are steady to slightly higher, stocks of available powder for immediate shipment are limited. In many instances, whole milk powder producers are fully committed into June with very minimal volumes available for spot shipment. International buyer interest is quite active. Most shipments that are currently occurring are for orders placed earlier in the spring.

26% BUTTERFAT:	1,575 - 1,700
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SWEET WHEY POWDER: European whey markets are steady at unchanged prices. Cheese production is increasing seasonally in both Eastern and Western Europe. Demand for cheese has been and continues to be good and is clearing most cheese stocks. Strong cheese production is generating fully sufficient volumes of whey for current and potential buyer interest.

NONHYGROSCOPIC:	410 - 500
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OVERVIEW: EASTERN EUROPE Milk production in Eastern Europe continues to build seasonally, although reports indicate that limited moisture will probably hinder maximum potential. Eastern European milk production was not aggressive last season and early indications are that conditions will not be overly favorable for recovery this season. Stocks of manufactured dairy products are low. At this point, early season milk output is being directed toward replenishing low inventories for domestic and internal needs. It is still early to predict what volumes will be available for international sales.

OCEANIA

OVERVIEW: Milk production in the Oceania region is declining quite sharply at season's end. In New Zealand, for 10 months ending of March 31, cumulative milk output is reported to be 13.2% above the previous season and 9.4% heavier than two seasons ago. In Australia, milk output, for 9 months thru the end of March, is estimated to be 7.2% heavier than last season. In both countries, late season milk output is declining very sharply, thus these 9 and 10 month figures are projected to be lower on an annual basis once all data is reported. Stocks of manufactured dairy products are in close balance and, for the most part, fully committed. In April, a surge in spot demand from Southeast Asia basically absorbed most available additional product, thus the balance is committed to orders already placed. Traders report that spot buying interest has ended about 3 weeks earlier than past years. Many international buyers are aware of the supply situation in Oceania and are having to look elsewhere for potential sources. Some buyers are having difficulty locating these sources. Reports indicate that much of Europe's production is already committed into early summer, thus availability is questionable. Oceania traders report that they are basically out of the international market until late August or September.

BUTTER: Butter markets are generally steady at unchanged prices. Milk production is seasonally low, thus Oceania producers are now working from inventoried stocks. Of all the manufactured dairy products in Oceania, butter is probably the most available for spot buyer needs, although these stocks are not plentiful. Most traders indicate that they are basically out of the international market until August or September.

82% BUTTERFAT:	1,100 - 1,150
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CHEDDAR CHEESE: Cheese markets and prices are generally unchanged. Stocks of cheese are sufficient to meet ongoing/already placed orders. Cheese production in Oceania is near its seasonal end, thus current shipments are being filled from inventoried stocks. Overall demand is reported as steady to regular customers.

39% MAXIMUM MOISTURE:	1,775 - 1,850
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SKIM MILK POWDER (SMP): Oceania skim milk powder markets are steady to firm. Prices are basically unchanged, although some slightly higher priced offerings are being reported. Stocks are reported to be fully committed, with very minimal volumes available for spot buyers. The Oceania milk production season has basically ended, thus current shipments are being filled from inventoried stocks.

1.25% BUTTERFAT:	1,525 - 1,650
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WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady at unchanged prices. Production of whole milk powder has basically ended for the season, thus current shipments are being filled from inventories. Most Oceania powder has been fully committed, thus no additional volumes are available for spot buyer interest. Oceania traders indicate that spot buyer interest has basically ended which is about 3 weeks earlier than past years. Traders feel that this lighter buyer interest can be attributed to the lack of powder from the region.

26% BUTTERFAT:	1,600 - 1,750
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Exchange rates for selected foreign currencies:	May 8, 2000
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.4074 Dutch Guilder	.4491 German Mark
.1369 French Franc	.4838 New Zealand Dollar
.1054 Mexican Peso	.5825 Australian Dollar
1.5322 British Pound	.0098 Japanese Yen
.2237 Polish Zloty	.8979 Euro

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.1054) = 9.4877$
That is 1 US Dollar equals 9.4877 Mexican Pesos.

Source: "Wall Street Journal"

MARCH 2000 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 124.3 million pounds in March, 0.9 percent below March 1999 and 4.6 percent below February 2000. **AMERICAN TYPE CHEESE** production totaled 317.5 million pounds, 0.1 percent below March 1999 but 5.0 percent above February 2000. **TOTAL CHEESE** output (excluding cottage cheese) was 715.4 million pounds, 2.6 percent above March 1999 and 10.8 percent above February 2000. **NONFAT DRY MILK** production, for human food, totaled 142.7 million pounds, 10.8 percent above March 1999 and 7.2 percent above February 2000. **DRY WHEY** production, for human food, was 101.4 million pounds, 6.8 percent above March 1999 and 6.0 percent above February 2000. **ICE CREAM (hard)** production totaled 80.8 million gallons, 4.7 percent above March 1999 and 19.3 percent above February 2000.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	MAR 2000	PERCENT CHANGE FROM:			PRODUCT	MAR 2000	PERCENT CHANGE FROM:		
	1,000 LBS.	MAR 1999	FEB 2000	YEAR TO DATE 1/		1,000 LBS.	MAR 1999	FEB 2000	YEAR TO DATE 1/
BUTTER	124,290	-0.9	-4.6	6.2	DRY BUTTERMILK	4,800	-15.1	-10.7	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	169,498	3.2	14.2	---
AMERICAN TYPES 2/	* 317,456	-0.1	5.0	5.6	CONDENSED WHEY, SOLIDS CONTENT 8/				
CHEDDAR	250,956	-1.3	6.2	4.1	SWEET -TYPE, HUMAN FOOD	10,059	14.1	25.3	---
SWISS	18,264	-1.3	4.4	---	SWEET -TYPE, ANIMAL FEED	1,137	-30.5	2.7	---
BRICK & MUENSTER	6,949	-10.1	-0.4	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	60,742	13.8	56.7	---	DRY WHEY, HUMAN FOOD	101,432	6.8	6.0	---
BLUE 3/					DRY WHEY, ANIMAL FEED	7,951	9.4	11.4	---
HISPANIC	8,278	4.2	13.8	C	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	227,890	2.7	11.2	7.0	HUMAN FOOD	9,526	24.7	30.6	---
OTHER ITALIAN TYPES	59,723	9.1	11.4	15.3	ANIMAL FEED	3,245	18.2	8.9	---
TOTAL ITALIAN TYPES	287,613	4.0	11.3	8.7	LACTOSE, HUMAN FOOD & ANIMAL FEED	43,090	-0.9	9.1	---
ALL OTHER TYPES	16,102	3.9	13.5	---	WHEY PROTEIN CONCENTRATE				
TOTAL	715,404	2.6	10.8	6.4	HUMAN FOOD	30,226	9.3	7.0	---
COTTAGE CHEESE, CURD 4/	39,502	-4.0	6.2	---	ANIMAL FEED	3,707	-3.2	9.3	---
COTTAGE CHEESE, CREAMED 5/	31,234	-1.3	10.6	0.9					
COTTAGE CHEESE, LOWFAT 6/	33,314	-2.3	13.4	1.0	FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
CANNED EVAPORATED & CONDENSED					ICE CREAM (HARD)	80,802	4.7	19.3	2.9
WHOLE MILK	37,768	4.5	26.6	---	ICE CREAM, LOWFAT (HARD)	7,905	-13.0	22.2	---
DRY WHOLE MILK	11,890	25.1	2.7	---	ICE CREAM, LOWFAT (SOFT)	26,864	6.6	29.8	---
NONFAT DRY MILK, HUMAN FOOD	7/ 142,705	10.8	7.2	12.1	ICE CREAM, LOWFAT (TOTAL)	34,769	1.4	28.0	-3.2
DRY SKIM MILK, ANIMAL FEED	427	-5.9	16.3	---	SHERBET (HARD)	4,559	-4.6	24.5	-2.4
					YOGURT (TOTAL)	8,495	-8.9	24.0	-12.8

MANUFACTURERS' STOCKS, END OF MONTH 9/

PRODUCT	MAR 2000	PERCENT OF:		PRODUCT	MAR 2000	PERCENT OF:	
	1,000 LBS.	MAR 1999	FEB 2000		1,000 LBS.	MAR 1999	FEB 2000
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	42,392	-9.3	5.2	HUMAN FOOD	15,033	-18.5	-1.0
DRY WHEY, ANIMAL FEED	7,287	-6.7	3.8	ANIMAL FEED	1,290	-20.4	-9.2
REDUCED LACTOSE & MINERALS—HUMAN & ANIMAL 10/	11,634	-0.2	6.7	CANNED EVAPORATED & CONDENSED WHOLE MILK	40,851	2.7	8.8
LACTOSE, HUMAN FOOD & ANIMAL FEED	24,183	-3.6	9.3	DRY WHOLE MILK	5,415	-15.6	-21.9
DRY BUTTERMILK, TOTAL	8,599	33.7	-6.3	NONFAT DRY MILK FOR HUMAN FOOD	165,519	35.0	-4.5
				DRY SKIM MILK FOR ANIMAL FEED	1,193	-26.6	-0.6

1/ 2000 cumulative as percent change of 1999 cumulative. 2/ Whole milk cheese, including Cheddar, colby, monterey and jack. 3/ Not shown when individual plant operations could be disclosed. Included in All Other Types of Cheese. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 2,169,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Stocks held by manufacturers at all points and in transit. 10/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. *Includes combined Minnesota and Wisconsin production of 136,229,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (5-00), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

MEASURES OF GROWTH IN FEDERAL MILK ORDER MARKETS, SELECTED YEARS, 1947-99

Year	Number of markets 1/	Population of Federal milk marketing areas 2/	Number of handlers 1/	Number of producers 3/	Producer deliveries	Producer deliveries used in Class I	Percentage of producer deliveries used in Class I	Prices at 3.5% butterfat content 4/		Receipts as percentage of milk sold to plants and dealers		Daily deliveries per producer	Gross value at blend price adjusted for butterfat content	
								Class I	Blend	Fluid grade 5/	All milk		Per producer	All producers
	Number	1,000	Number	Number	Million pounds		Percent	Dol. per 100 lb.		Percent		Pounds	Dollars	1,000 dol.
1947	29	*	991	135,830	14,980	9,808	65.5	4.65	4.34	*	21	302	5,024	682,407
1950	39	*	1,101	156,584	18,660	11,000	58.9	4.51	3.93	41	25	326	4,914	769,442
1955	63	46,963	1,483	188,611	28,948	18,032	62.3	4.67	4.08	51	32	420	6,510	1,227,815
1960	80	88,818	2,259	189,816	44,812	28,758	64.2	4.88	4.47	64	43	648	10,482	1,989,615
1965	73	102,351	1,891	158,077	54,444	34,561	63.5	4.93	4.31	70	48	944	15,300	2,418,526
1970	62	125,721	1,588	143,411	65,104	40,063	61.5	6.74	5.95	79	59	1,244	27,636	3,963,311
1975	56	150,666	1,315	123,855	69,249	40,106	57.9	9.36	8.64	78	63	1,532	49,233	6,097,768
1976	50	157,295	1,305	122,675	74,586	40,985	54.9	10.70	9.75	79	65	1,661	60,277	7,394,486
1977	47	159,504	1,260	122,755	77,947	41,125	52.8	10.59	9.69	80	66	1,740	62,692	7,695,764
1978	47	161,224	1,189	119,326	78,091	41,143	52.7	11.40	10.57	80	67	1,793	70,528	8,415,787
1979	47	163,053	1,127	116,447	79,436	41,011	51.6	12.88	11.97	80	67	1,870	83,262	9,695,637
1980	47	164,908	1,091	117,490	83,998	41,034	48.9	13.77	12.86	80	67	1,954	93,685	11,007,001
1981	48	166,663	1,058	119,323	87,989	40,746	46.3	14.69	13.63	80	68	2,021	102,354	12,213,199
1982	49	172,775	1,010	120,743	91,611	40,807	44.5	14.63	13.53	81	69	2,079	104,573	12,626,510
1983	46	175,624	958	121,052	95,757	41,091	42.9	14.69	13.53	82	70	2,168	109,142	13,211,805
1984	45	177,524	912	119,033	91,676	41,517	45.3	14.41	13.33	81	70	2,104	104,935	12,490,729
1985	44	176,440	884	116,765	97,762	42,201	43.2	13.88	12.61	80	70	2,294	107,871	12,595,522
1986	44	177,992	849	112,322	98,791	42,725	43.2	13.60	12.38	80	71	2,413	111,581	12,515,451
1987	43	180,374	797	105,882	98,182	42,876	43.7	13.90	12.51	80	71	2,542	118,402	12,529,800
1988	42	184,180	776	104,141	100,066	43,141	43.1	13.42	12.14	79	71	2,627	119,261	12,419,974
1989	41	185,919	748	100,291	95,871	43,367	45.2	14.51	13.30	75	68	2,614	129,744	13,012,796
1990	42	195,841	753	100,397	102,396	43,783	42.8	15.55	13.78	77	70	2,796	142,324	14,289,567
1991	40	198,409	722	100,267	103,252	45,033	43.6	13.30	12.11	76	71	2,821	121,479	12,180,354
1992	40	200,530	698	97,803	107,947	44,914	41.6	14.57	13.12	77	73	3,017	146,452	14,323,698
1993	38	199,604	675	92,934	103,979	44,805	43.1	14.19	12.89	73	69	3,073	145,350	13,507,974
1994	38	201,561	629	91,397	107,811	44,866	41.6	14.75	13.16	75	71	3,232	156,253	14,281,193
1995	33	207,548	571	88,717	108,548	45,004	41.5	14.19	12.79	75	71	3,350	157,754	13,995,454
1996	32	209,599	570	82,947	104,501	45,479	43.5	16.19	14.64	72	69	3,442	187,713	15,570,261
1997	31	208,379	570	78,422	105,224	44,917	42.7	14.36	13.10	71	69	3,676	178,424	13,992,366
1998	31	210,484	523	72,402	99,223	44,968	45.3	16.14	14.92	66	64	3,755	202,770	14,681,340
1999	31	212,118	487	69,008	104,479	45,216	43.3	16.24	14.09	67	65	4,148	218,053	15,047,378

*Data not available. 1/ End of year. (Date on which pricing provisions became effective.) 2/ End of year. 1955, 1960-70, 1980, and 1990 according to 1950, 1960, 1980, and 1990 U.S. census, respectively. 1975-1979, 1981-1989, and 1991 to date are estimated. 3/ Average for year. 4/ Prices are simple averages for 1947-60 and weighted averages for 1965 to date. 5/ Due to disadvantageous price situations in some markets, handlers elected not to pool an estimated 13.9 billion and 16.0 billion pounds, in 1999 and 1998, respectively, that normally would have been pooled under these orders. These price situations occur when the blend price adjusted for location is equal to or less than the Class II, Class III, or Class III-A price. In these situations, handlers may elect not to pool milk that normally would have been associated with the order. Handlers also may elect not to pool milk when it is more advantageous to associate the milk with a State milk order or when the Class III price is too high relative to the pricing programs used to pay dairy farmers.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE 1/

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>	CPI <u>2/</u>	Pct. Chg. <u>3/</u>
JAN 2000	166.1	1.5	160.4	-0.5	155.1	-3.4	164.1	1.7	138.6	-15.1	150.2	2.6
FEB 2000	166.3	1.8	160.9	-0.9	154.8	-5.3	164.8	1.3	126.7	-18.5	151.3	2.9
MAR 2000	166.5	2.0	159.1	-1.5	153.0	-6.1	162.3	0.2	134.2	-10.1	152.4	3.8
U.S. City Average Retail Prices												
Month	Whole Milk <u>4/</u>		Lowfat Milk <u>4/</u>		Butter <u>5/</u>		Process Cheese <u>6/</u>		Natural Cheese <u>7/</u>		Ice Cream <u>8/</u>	
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
	Dollars											
JANUARY	2.785	2.940	2.717	2.852	2.425	3.002	3.843	3.814	3.839	3.748	3.324	3.379
FEBRUARY	2.777	3.004	2.693	2.901	2.293	2.801	3.731	3.723	3.821	3.746	3.340	3.291
MARCH	2.748	3.003	2.681	2.881	2.408	2.739	3.845	3.878	3.810	3.714	3.275	3.231

NA = Not available. 1/ "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. 2/ The standard reference base period for these indexes is 1982-1984 = 100. 3/ Percent change over previous year. 4/ Per gallon. 5/ Per pound. Grade AA, salted, stick butter. 6/ Per pound, any size and type of package. 7/ Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). 8/ Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS-DEC.-FEB. AND YEAR-TO-DATE 1998-99 1/

Item	Dec.-Feb. 1998/99	Percent change <u>4/</u>	Dec.-Feb. 1999/00	Percent change <u>4/</u>	Jan.-Dec. 1998	Percent change <u>4/</u>	Jan.-Dec. 1999	Percent change <u>4/</u>
	Million Pounds							
MILK								
Production	39,586	3.1	41,687	4.1	157,348	0.8	162,711	3.4
Marketings	39,246	3.1	41,353	4.2	155,942	0.8	161,344	3.5
Beginning Commercial Stocks <u>2/</u>	5,140	9.4	5,992	16.6	4,889	3.9	5,274	7.9
Imports <u>2/</u>	1,116	57.4	1,012	-9.3	4,587	70.1	4,743	3.4
Total Supply <u>3/</u>	45,502	4.7	48,357	5.3	165,418	2.0	171,361	3.6
Ending Commercial Stocks <u>2/</u>	7,795	35.9	8,305	6.5	5,274	7.9	6,135	16.3
Net Removals <u>2/</u>	65	-79.4	242	272.3	366	-66.4	343	-6.3
Commercial Disappearance <u>3/</u>	37,642	0.6	39,810	4.6	159,778	2.3	164,883	3.2
SELECTED PRODUCTS <u>5/</u>								
Butter	305.2	1.0	330.9	7.1	1,222.7	10.3	1,308.8	7.0
American Cheese	807.2	-1.8	867.2	6.3	3,338.4	2.1	3,586.3	7.4
Other Cheese	1,044.2	2.1	1,145.5	8.5	4,452.0	2.0	4,677.8	5.1
Nonfat Dry Milk	198.1	-1.5	140.8	-29.8	866.7	-3.1	790.4	-8.8
Fluid Milk Products <u>6/</u>	NA	NA	NA	NA	55,266.8	-0.4	55,674.8	0.7

1/ Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. 2/ Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. 3/ Totals may not add because of rounding. 4/ From year earlier on a daily average basis. 5/ Commercial disappearance in product pounds. 6/ Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through ERS AutoFAX. To request a document, dial (202) 694-5700 and enter document number 11521 when prompted.

ANNOUNCED COOPERATIVE AND MINIMUM FEDERAL ORDER CLASS I PRICES IN SELECTED CITIES 1/												
CITY	MAY 1998			MAY 1999			APR 2000			MAY 2000		
	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference
	Dollars Per Hundredweight											
Atlanta, GA	15.89	16.89	1.00	14.70	15.85	1.15	14.03	15.86	1.83	14.58	16.16	1.58
Baltimore, MD	15.84	17.29	1.45	14.65	16.35	1.70	13.93	15.48	1.55	14.48	16.03	1.55
Boston, MA **	16.05	16.53	0.48	14.86	15.34	0.48	14.18	14.66	0.48	14.73	15.21	0.48
Carbondale, IL	14.82	16.63	1.81	13.63	15.74	2.11	13.13	14.85	1.72	13.68	15.39	1.71
Charlotte, NC	15.89	16.89	1.00	14.70	15.85	1.15	14.03	15.86	1.83	14.58	16.16	1.58
Chicago, IL	14.21	15.80	1.59	13.02	14.95	1.93	12.73	14.68	1.95	13.28	15.22	1.94
Cincinnati, OH	14.92	16.67	1.75	13.73	15.43	1.70	13.13	14.98	1.85	13.68	15.53	1.85
Cleveland, OH	14.81	16.56	1.75	13.62	15.12	1.50	12.93	14.63	1.70	13.48	15.18	1.70
Dallas, TX	15.97	16.22	0.25	14.78	15.03	0.25	13.93	15.23	1.30	14.48	15.53	1.05
Denver, CO	15.54	15.69	0.15	14.35	16.10	1.75	13.48	14.13*	0.65*	14.03	15.83	1.80
Des Moines, IA	14.36	15.01	0.65	13.17	14.32	1.15	12.73	14.07	1.34	13.28	14.62	1.34
Detroit, MI	14.66	15.68	1.02	13.47	14.40	0.93	12.73	13.98	1.25	13.28	14.53	1.25
Hartford, CT **	15.95	16.43	0.48	14.76	15.24	0.48	14.08	14.56	0.48	14.63	15.11	0.48
Houston, TX	16.51	16.76	0.25	15.32	15.57	0.25	14.53	15.83	1.30	15.08	16.13	1.05
Indianapolis, IN	14.71	16.26	1.55	13.52	15.17	1.65	12.93	14.78	1.85	13.48	15.33	1.85
Kansas City, MO	14.73	15.33	0.60	13.54	14.59	1.05	12.93	14.58	1.65	13.48	14.88	1.40
Louisville, KY	15.58	16.18	0.60	13.73	14.73	1.00	13.13	14.53	1.40	13.68	14.88	1.20
Memphis, TN	14.92	15.72	0.80	14.39	15.19	0.80	13.73	15.31	1.58	14.28	15.61	1.33
Miami, FL	16.99	19.21	2.22	15.80	18.17	2.37	15.23	18.37	3.14	15.78	18.67	2.89
Milwaukee, WI	14.12	15.71	1.59	12.93	14.86	1.93	12.68	14.63	1.95	13.23	15.17	1.94
Minneapolis, MN	14.01	14.66	0.65	12.82	13.65	0.83	12.63	13.98	1.35	13.18	14.52	1.34
New Orleans, LA	16.46	16.81	0.35	15.27	15.72	0.45	14.53	16.01	1.48	15.08	16.31	1.23
Oklahoma City, OK	15.58	16.18	0.60	14.39	15.89	1.50	13.53	15.08	1.55	14.08	15.38	1.30
Omaha, NE	14.56	15.16	0.60	13.37	14.42	1.05	12.78	14.07	1.29	13.33	14.62	1.29
Philadelphia, PA	15.90	17.32	1.42	14.71	16.38	1.67	13.98	15.65	1.67	14.53	16.20	1.67
Phoenix, AZ	15.33	15.33	0.00	14.14	14.14	0.00	13.28	13.88	0.60	13.83	14.43	0.60
Pittsburgh, PA	14.81	15.61	0.80	13.62	14.12	0.50	13.03	14.43	1.40	13.58	14.98	1.40
St. Louis, MO	14.82	16.63	1.81	13.63	15.74	2.11	12.93	14.64	1.71	13.48	15.19	1.71
Salt Lake City, UT	14.71	14.86	0.15	13.52	13.77	0.25	12.83	13.08	0.25	13.38	13.63	0.25
Seattle, WA	14.71	15.38	0.67	13.52	15.38	1.86	12.83	14.96	2.13	13.38	13.76	0.38
Spokane, WA	14.71	15.38	0.67	13.52	15.38	1.86	12.83	14.96	2.13	13.38	13.76	0.38
Springfield, MO	15.00	15.60	0.60	13.81	15.31	1.50	13.13	14.68	1.55	13.68	14.98	1.30
Washington, DC	15.84	17.29	1.45	14.65	16.35	1.70	13.93	15.48	1.55	14.48	16.03	1.55
Simple Average	15.24	16.17	0.93	14.05	15.28	1.23	13.41	14.91*	1.50*	13.96	15.30	1.34

* Revised.

**NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference". When the Federal order Class I price shown for Boston is higher than the Compact Class I price, the Compact price is not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, APRIL

Component Price Information: Under the Federal milk order pricing system, the butterfat price for April 2000 is \$1.1352 per pound. Thus, the Class II butterfat price is \$1.1422. The protein and other solids prices for April are \$1.7399 and \$0.0408 per pound, respectively. These component prices set the Class III skim milk price at \$5.63 per cwt. The April Class IV skim milk price is \$7.68 which is derived from the nonfat solids price of \$0.8537 per pound.

Product Price Averages: The product price averages for April are; butter \$1.0449, nonfat dry milk \$1.0078, cheese \$1.1011, and dry whey \$0.1765.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <u>1/</u> <u>2/</u>						
FEDERAL MILK ORDER MARKETING AREAS <u>3/</u>	ORDER NUMBER	APRIL 2000				MAY 2000
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <u>4/</u>	001	14.18	12.10	9.41	11.38	14.73
Appalachian (Charlotte) <u>5/</u>	005	14.03	12.10	9.41	11.38	14.58
Southeast (Atlanta) <u>6/</u>	007	14.03	12.10	9.41	11.38	14.58
Florida (Tampa) <u>7/</u>	006	14.93	12.10	9.41	11.38	15.48
Mideast (Cleveland) <u>8/</u>	033	12.93	12.10	9.41	11.38	13.48
Upper Midwest (Chicago) <u>9/</u>	030	12.73	12.10	9.41	11.38	13.28
Central (Kansas City) <u>10/</u>	032	12.93	12.10	9.41	11.38	13.48
Southwest (Dallas) <u>11/</u>	126	13.93	12.10	9.41	11.38	14.48
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	13.28	12.10	9.41	11.38	13.83
Western (Salt Lake City) <u>13/</u>	135	12.83	12.10	9.41	11.38	13.38
Pacific Northwest (Seattle) <u>14/</u>	124	12.83	12.10	9.41	11.38	13.38
All-Market Average	---	13.51	12.10	9.41	11.38	14.06

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are principal pricing points of markets.

4/ Class I prices at other points are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other points are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other points are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other points are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other points are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other points are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

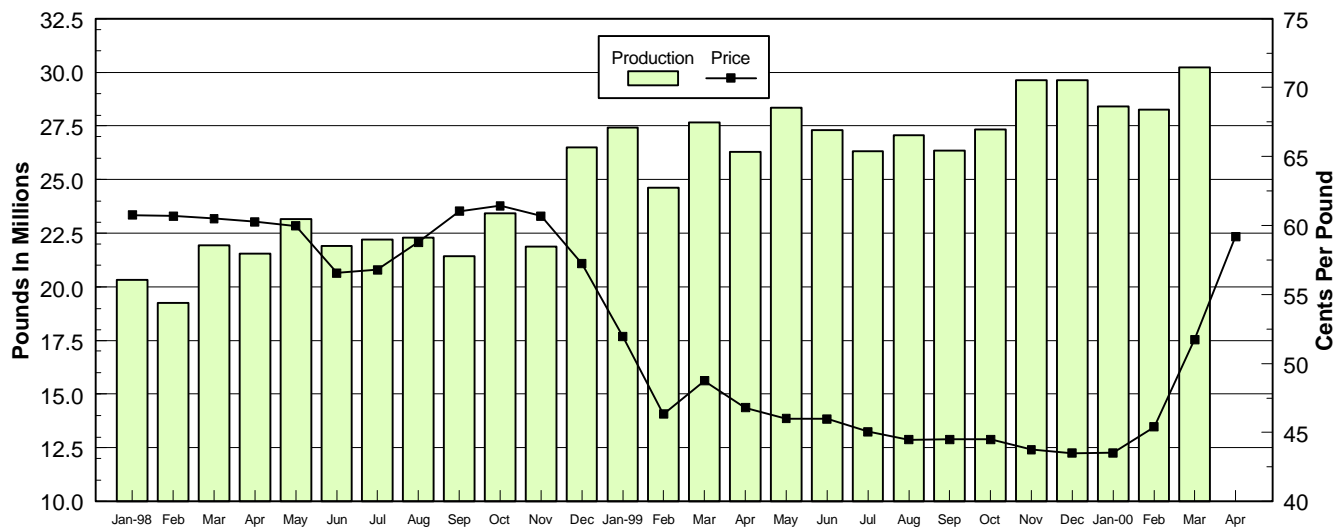
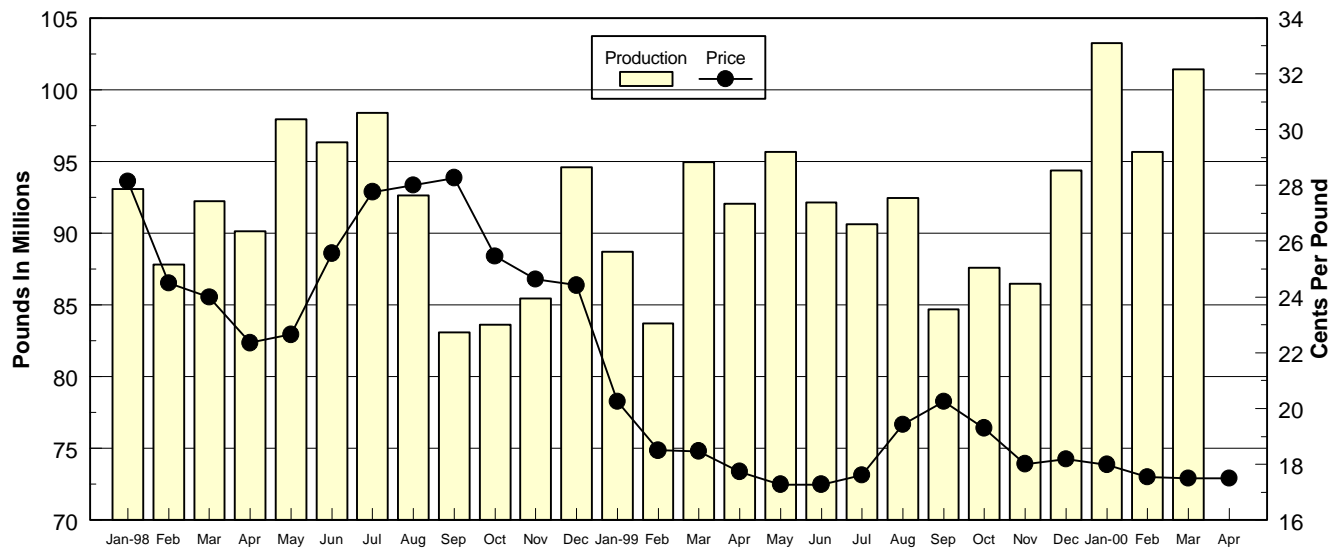
10/ Class I prices at other points are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other points are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

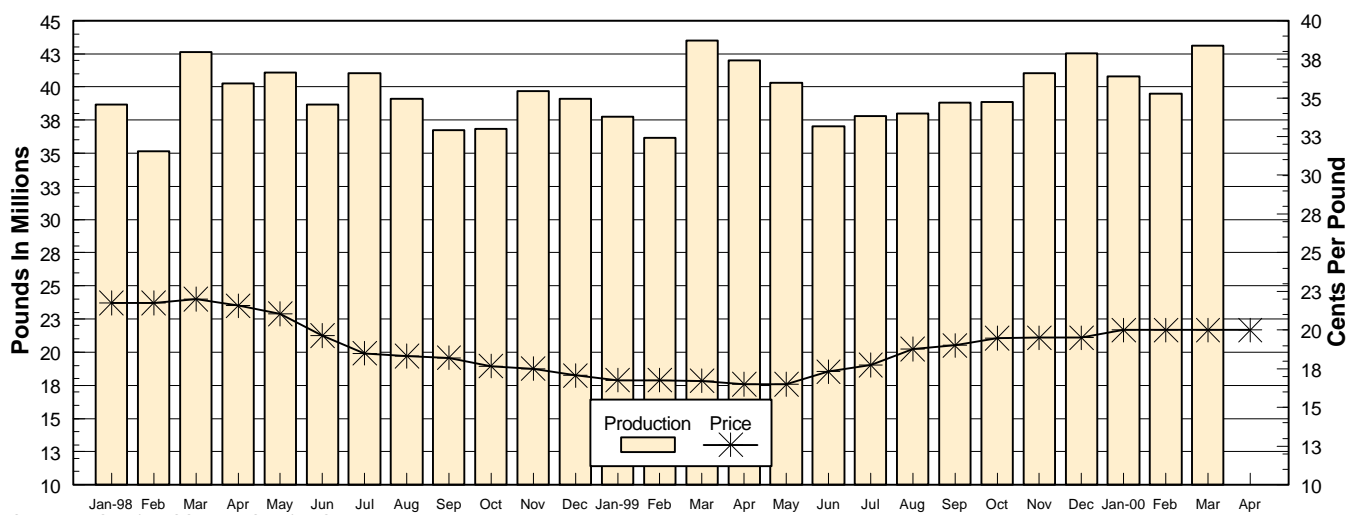
12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I price at Boise is minus \$0.30.

14/ Class I prices at other points are: Portland, same; and Spokane, same.

Human WPC Production vs. Central/West Monthly Average Mostly 34% Price**Human Dry Whey Production vs. Central Monthly Average Mostly Price****Human & Animal Lactose Production vs. Central/West Monthly Average Mostly Price**

1998 - 1999 YTD



Source: USDA/ NASS and USDA/AMS Dairy Programs, Market News Branch

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE PERIOD OF MAY 8 - 10, 2000			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/99	LAST YEAR	05/05/00	LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	414,675	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	871,200	-0-	871,200	5,148,000	-0-	-0-	-0-
TOTAL	871,200	-0-	871,200	5,562,675	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	13,698,085	-0-	13,698,085	285,620,171	86,470,866	-0-	-0-
Fortified	-0-	-0-	-0-	5,313,347	-0-	-0-	-0-
TOTAL	13,698,085	-0-	13,698,085	290,933,518	86,470,866	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**	MILKFAT*	SKIM**
	BASIS	SOLIDS	BASIS	SOLIDS
PERIOD OF MAY 8 - 10, 2000 =	11.1	168.1	COMPARABLE WEEK IN 1999 =	1.7
CUMULATIVE SINCE OCTOBER 1, 1999 =	115.3	3,441.5	CUMULATIVE SAME PERIOD LAST YEAR =	19.0
CUMULATIVE JANUARY 1 - MAY 10, 2000 =	104.1	2,848.4	COMPARABLE CALENDAR YEAR 1999 =	19.0
				1,006.5
				1,005.3

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE PERIOD OF MAY 8 - 10, 2000 (POUNDS)

	BUTTER			CHEESE		NONFAT DRY MILK		
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	871,200	1,629,930	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	12,068,155	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/99 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99	1999/00	1998/99
MIDWEST	-0-	-0-	5,562,675	-0-	31,522,947	6,170,326	50.5	7.1
WEST	-0-	-0-	-0-	-0-	256,970,574	80,300,540	49.0	92.9
EAST	-0-	-0-	-0-	-0-	2,439,997	-0-	0.5	0.0
TOTAL	-0-	-0-	5,562,675	-0-	290,933,518	86,470,866	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 2000

MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925

NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 04/22/00 & Comparable Week 1999 1/ 2/

	Regions*										U.S. TOTAL	% DAIRY OF ALL
	1	2	3	4	5	6	7	8	9	10		
2000-Dairy cows HD (000)	0.2	0.9	5.6	4.7	19.0	2.4	0.6	0.7	10.2	3.5	47.8	890.9
1999-Dairy cows HD (000)	0.2	1.0	5.6	5.9	18.0	1.9	2.2	0.6	9.2	2.5	47.1	866.5
2000-All cows HD (000)	0.2	1.1	7.7	13.3	27.4	12.4	13.9	3.2	11.9	6.8	97.9	1,753.0
1999-All cows HD (000)	0.2	1.0	7.7	17.0	25.3	13.6	16.4	4.7	11.9	7.3	105.2	1,842.5
											WEEK : SINCE JAN 1	WEEK : SINCE JAN 1
											48.8	50.8
											44.8	47.0

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

FEDERAL MILK ORDER CLASS PRICES FOR 2000 (3.5% BF)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Class I 1/	10.90	10.71	10.84	10.93	11.48							
Class II	11.43	11.51	11.71	12.10								
Class III	10.05	9.54	9.54	9.41								
Class IV	10.73	10.80	11.00	11.38								

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/fmor_announce.htm